

HOW TO BECOME A MORTGAGE BROKER

LIST OF DOMUMENTS

1. Requirements for registration as a mortgage broker under the Mortgage Brokers Act
2. Application for Registration
3. Terms and Conditions of Registration under the Mortgage Brokers Act (for sole proprietors and corporations)
4. Personal financial statement
5. Requirements for new and renewal of registration under the Mortgage Brokers Act (for financial statements requirement)

ADDITIONAL DOCUMENTS

1. Notification form for new officer/director or authorized agent
2. Notification of completion of the educational requirements for authorized agents
3. List of authorized agents

**Financial Services
Commission
of Ontario**

Licensing and Enforcement Division
5160 Yonge Street, 4th Floor
Box 85
Toronto ON M2N 6L9

Direct Line: (416) 226-7863
Fax: (416) 226-7838
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**Commission des
services financiers
de l'Ontario**

Division de la délivrance des permis
et de l'application des mesures législatives
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Dear Sir/Madam:

**RE: REQUIREMENTS FOR REGISTRATION AS A MORTGAGE BROKER UNDER
THE MORTGAGE BROKERS ACT**

We acknowledge your request for information concerning registration as a mortgage broker.

Before applying for registration, each applicant must meet the following requirements:

1. Be a Canadian citizen or landed immigrant or qualify as a corporate resident as defined by the Act.
2. Be eighteen years of age or over.
3. Maintain a permanent place of business open to the public during normal business hours.
4. Provide evidence establishing financial responsibility.
5. Be prepared to sign Terms and Conditions that Syndicating and Administering business will not be conducted or any other conditions applicable in the circumstances.

NOTE: ONCE THE OPERATION OF ORDINARY MORTGAGE BROKERING IS ESTABLISHED AND DEMONSTRATED TO BE SATISFACTORY, YOU MAY APPLY IN WRITING TO HAVE THE TERMS AND CONDITIONS REVIEWED.

6. Be prepared to set up a trust account, if trust funds are to be taken.

In addition, all active officers and directors of a corporation, each partner in a partnership and sole proprietors seeking registration, must complete an education program officered through Seneca College. Members of the Law Society of Upper Canada, persons licensed under the Public Accountancy Act and persons registered as real estate brokers applying for registration under section 4.(4) of the Mortgage Brokers Act are exempt from taking the prerequisite course or writing the examination.

For information on education contact:

Seneca College
1750 Finch Avenue East
North York, ON M2J 2X5
Telephone No.: 416-491-5050 ext. 2740

Successful completion of the course does not mean automatic entitlement to registration. Applicants should submit the following to our office:

1. The enclosed application form duly completed and signed.
2. Fees in accordance with the Fee Schedule are payable to the **Minister of Finance**.
THE APPLICATION FEE IS NOT REFUNDABLE. A \$35.00 FEE WILL BE CHARGED FOR CHEQUES RETURNED FOR NON SUFFICIENT FUNDS.
3. Proof of successful completion of the education program or exemption thereof, for each active officer or director, sole proprietor or partner.
4. A Pro Forma balance sheet in the case of a new corporation (**audited financial statements if incorporated over 1 year**). For sole proprietors or partners, a statement of net worth detailing personal assets and liabilities.
5. The signature of the applicant is required on Question 10 of the application if trust funds will not be taken and a trust account not opened.

PLEASE NOTE: IF ANY OF THE ABOVE REQUIREMENTS ARE NOT SUBMITTED WITH THE APPLICATION UPON REGISTRATION, THE APPLICATION WILL BE RETURNED AS INCOMPLETE.

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PLEASE NOTE: THE APPLICATION FEE IS NOT REFUNDABLE.

PLEASE NOTE: A \$35.00 FEE WILL BE CHARGED FOR CHEQUES RETURNED FOR NON-SUFFICIENT FUNDS.

RENEWALS: According to Section 3.(1) of Regulation 798 of the Mortgage Brokers Act, every registration expires one year after the date of registration shown on the certificate of registration unless a renewal application is filed prior to the date of expiry.

Any person who applies for re-registration as a mortgage broker who has not been active in the business of mortgage brokering during the preceding two years must re-taken and pass the qualifying education requirements or act as an agent for two years before or act as an agent for 2 years an application for re-registration can be considered.

The following documents are in support of the administration of the Mortgage Brokers Act and are available from this office if required:

1. Investor/Lender Disclosure Statement for Broker Transactions
2. Statement of Mortgage
3. Investor/Lender Disclosure Statement for Broker Mortgages on Renewal
4. Accounting and Reporting Requirements (includes Form A and Form B)
5. Investors Checklist Brochure
6. Information for Borrowers and Investors Brochure

4. _____ agrees that any person authorized to arrange mortgages but not qualified under the Act must be supervised by and report to a person who has taken the qualifying course and passed the examination or otherwise meets the qualifications for registration under the Act.

5. _____ agrees not to open franchise locations or branch or office locations that would carry on in a manner similar in nature to a franchise (each a "franchise"), the business of which would include mortgage brokering activities, unless the franchise is duly registered under the Act.

(Sole proprietor) _____

acknowledges that a breach of these terms and conditions shall constitute proper grounds for the revocation of registration.

Signed at _____ **this** _____ **day of** _____ **20** _____ **.**

Sole Proprietor

4. _____ agrees that any person authorized to arrange mortgages but not qualified under the Act must be supervised by and report to a person who has taken the qualifying course and passed the examination or otherwise meets the qualifications for registration under the Act.

5. _____ agrees not to open franchise locations or branch or office locations that would carry on in a manner similar in nature to a franchise (each a "franchise"), the business of which would include mortgage brokering activities, unless the franchise is duly registered under the Act.

(Officer) _____ **and (name of corporation)** _____

acknowledges that a breach of these terms and conditions shall constitute proper grounds for the revocation of registration.

Signed at _____ **this** _____ **day of** _____ **20** .

Name of Company

Active Officer

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PERSONAL FINANCIAL STATEMENT AS OF: _____

Name: _____

Assets

1. Cash	\$	_____	
2. Accounts Receivable	\$	_____	
3. Stocks and Bonds	\$	_____	
4. Auto	\$	_____	
5. Real Estate	\$	_____	
6. Personal Property	\$	_____	
7. Equity in Proprietorship or Partnership	\$	_____	
8. Life Insurance (Cash Value)	\$	_____	
9. Other	\$	_____	
Total Assets			\$ _____

Liabilities

10. Accounts Payable	\$	_____	
11. Taxes (Income Tax)	\$	_____	
12. Notes Payable (Realty Taxes)	\$	_____	
13. Real Estate Indebtedness	\$	_____	
14. Credit Card(s)	\$	_____	
15. Others (Private Loans, etc.)	\$	_____	
Total Liabilities			\$ _____

Net Worth (Assets Minus Liabilities) \$ _____

Annual Income

16. Salary, Business or Professional	\$	_____	
17. Securities, Interest and Dividends	\$	_____	
18. Rental Income	\$	_____	
19. Other	\$	_____	
Total Income			\$ _____

Annual Expenditures

20. Real Estate Payments or Rent	\$	_____	
21. Income Taxes	\$	_____	
22. Insurance Premiums	\$	_____	
23. Property Taxes	\$	_____	
24. Other	\$	_____	
Total Expenditures			\$ _____

Net Income \$ _____

I hereby declare the above to be a true and correct statement of my net worth.

Signature: _____

Date: _____

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**REQUIREMENTS FOR NEW AND RENEWAL OF REGISTRATION
UNDER THE MORTGAGE BROKERS ACT**

PLEASE NOTE: A DATE MUST BE ENTERED ON ALL FOUR LINES

NAME OF REGISTRANT _____
(Please Print)

REGISTRANT'S FIRST OR MOST RECENT FISCAL YEAR END _____
(date)

AUDITED FINANCIAL STATEMENTS OR REVIEW ENGAGEMENT
ARE/WERE DUE ON (120 days from registrant's first annual
and subsequent year end) _____
(date)

AUDITED FINANCIAL STATEMENTS OR REVIEW ENGAGEMENT
WERE SUBMITTED ON (enter the date registrant's
first or more recent audited financial statements were submitted) _____
(date)

AUDITED FINANCIAL STATEMENTS OR REVIEW ENGAGEMENT
WILL BE SUBMITTED ON OR BEFORE (enter date statements
will be submitted if renewal date is less than
120 days from year end) _____
(date)

Signature of mortgage broker

Dated at: _____ this _____ day of _____ 20_____.

NOTE: *FORM "A" - CERTIFICATE OF COMPLIANCE AND FORM "B" - REPORT OF THE PUBLIC ACCOUNTANT TO THE FINANCIAL SERVICES COMMISSION OF ONTARIO ALONG WITH THE RELATED SCHEDULES B-1 THROUGH B-4 ARE TO BE SUBMITTED WITH THE AUDITED FINANCIAL STATEMENTS OR REVIEW ENGAGEMENT NOTED ABOVE.*

SHOULD YOUR AUDITED FINANCIAL STATEMENTS OR REVIEW ENGAGEMENT NOT BE FILED WITHIN 120 DAYS OF YOUR YEAR END, YOU WILL BE CHARGED UNDER THE MORTGAGE BROKERS ACT WITH LATE FILING AND/OR NON-FILING, AND YOUR APPLICATION FOR RENEWAL OF REGISTRATION MAY BE REFUSED.

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NOTIFICATION OF COMPLETION OF THE EDUCATIONAL REQUIREMENTS FOR AUTHORIZED AGENTS

(This form is to be completed by the Authorized Agent and Sponsoring Mortgage Broker.)

All persons employed or authorized to arrange or deal in mortgages on behalf of a mortgage broker should meet the prerequisite educational standards required for registration. Persons engaged in mortgage brokering activities for a sponsoring broker prior to September 1, 1994 are required to complete and pass the educational requirements within three years of the introduction of the course. Those persons engaged in mortgage brokering on September 1, 1994 and later should complete and pass the education requirements within one year of beginning employment.

_____ Name of Company	_____ Registration Number
_____ Name of Authorized Agent	_____ Authorized Agent Start Date
Number of years worked as an agent in the mortgage broker industry. _____	
Educational requirement was met on _____ <div style="text-align: center;">Date</div>	
Educational requirement will met on _____ <div style="text-align: center;">Date</div>	
Copy of transcript or certificate <input type="checkbox"/> Attached <input type="checkbox"/> To follow OR A transcript or certificate was previously submitted on _____ <div style="text-align: center;">Date</div>	
under _____ Name of Sponsoring Mortgage Broker	
Dated at _____ this _____ day of _____, 20 ____	
_____ Signature of Authorized Agent	_____ Signature of Mortgage Broker

